

AHFC
#12

Late Backup

Austin SL, L.P. is redeveloping the site as a mixed-use development that will include approximately 300 residential rental units, as well as commercial space to be leased to prospective businesses.

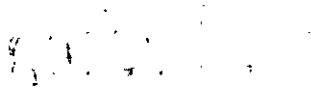
Following approval, a Rental Housing Development Assistance (RHDA) Program Loan will be negotiated and executed with Austin SL, L.P. in an amount not to exceed \$710,350 for a term of 40 years at zero percent interest. Repayment of the loan will be deferred for the duration of the affordability period. Principal and interest will be forgiven at the end of the loan term contingent upon compliance with the terms of the loan agreement. Austin SL, L.P. will provide the affordable units for 40 years for so long as the property is a multi-unit rental building. If the property changes use during the 40-year term, the loan must be repaid.

On April 19, 2007, the Board approved a loan to Ardent Residential, the local real estate representative for Austin SL, L.P., under AHFC's guidelines for the RHDA program funded with general obligation bond (GO Bond) proceeds. Those guideline requirements contain certain provisions that are not compatible with Austin SL, L.P.'s needs relating to the property's development. In order to accommodate those needs, the following guidelines must be waived:

1. Guidelines requiring the developer to comply with contractor selection and certification standards under HUD Section 3 as established in 24 CFR Part 135;
2. Guidelines requiring lease terms for each qualified tenant to include:
 - a. provisions disallowing lease terms excusing the owner or its agents from legal responsibility for any action or failure to act, whether intentional or negligent;
 - b. provisions disallowing the landlord from taking, holding, or selling tenant's personal property without notice to the tenant and a court decision;
 - c. provisions disallowing eviction without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - d. provisions disallowing lease terms making tenant chargeable with costs of legal actions regardless of outcome, including agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against tenant;
 - e. terms that prohibit termination of or refusal to renew a lease except for (i) serious or repeated violations of the lease terms, (ii) violation of applicable law, or (iii) other good cause; and
 - f. a notice requirement that termination of or refusal to renew a lease requires written notice specifying the grounds for the termination or refusal to renew at least 30 days before the effective date.
3. Guidelines requiring the owner or its leasing agent to give consideration in its leasing policies to federal Section 8 assistance recipients.

This project meets the goals for the use of Affordable Housing GO Bonds which are also the "core values" stated by the Affordable Housing Incentives Task Force:

- Deeper levels of affordability



- Longer terms of affordability
- Geographic Dispersion of GO Bond funded units.

Before the original Stoneridge project was brought to the AHFC Board on April 19, 2007, the Housing Bond Review Committee (HBRC) was notified of the project. As an advisory committee, the HBRC did not formally consider the project for recommendation. When informed of the current request, HBRC indicated further review was not necessary.